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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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UNITED STATES OF AMERICA	:	Hon. Cathy L. Waldor
	:	
v.	:	Mag. No. 16-7047
	:	
LEE VACCARO	:	COMPLAINT

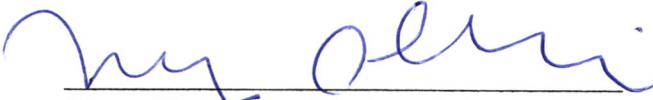
I, Mary E. Gardocki, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

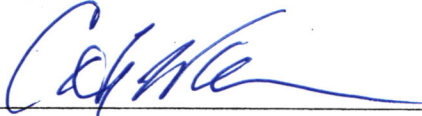
**SEE ATTACHMENT B**

continued on the attached page and made a part hereof.

  
\_\_\_\_\_  
Mary E. Gardocki, Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,  
May 3, 2016 at Newark, New Jersey

HONORABLE CATHY L. WALDOR  
UNITED STATES MAGISTRATE JUDGE

  
\_\_\_\_\_  
Signature of Judicial Officer

## **ATTACHMENT A**

### **Count 1 (Conspiracy to Commit Securities Fraud)**

From in or about 2009 to in or about 2015, in Bergen County, in the District of New Jersey, and elsewhere, defendant

#### **LEE VACCARO**

did knowingly and willfully combine, conspire, confederate and agree with Co-conspirator #1 and others to commit an offense against the United States, namely securities fraud, by using and employing through the direct and indirect use of the means and instrumentalities of interstate commerce and the mails, manipulative and deceptive devices and contrivances in connection with the purchase and sale of securities by (i) employing devices, schemes, and artifices to defraud members of the investing public; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (iii) engaging in acts, practices, and a course of business which operated and would operate as a fraud and deceit upon investors, namely by participating in a scheme to defraud investors seeking to purchase interests in warrants to purchase the stock of eAgency, contrary to Title 15, United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240-10b-5.

#### **Overt Acts**

In furtherance of the conspiracy and to effect the unlawful objects thereof, VACCARO, Co-conspirator #1 and others committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. On or about April 7, 2010, VACCARO sent a wire transfer of approximately \$100,000 to Co-conspirator #1's bank account in New Jersey, representing a portion of the proceeds from defrauding Victim #1.

b. On or about July 16, 2012, Co-conspirator #1 deposited a check for approximately \$124,000, representing the proceeds from defrauding Victim #2, at a bank in Tenaflly, New Jersey.

In violation of Title 18, United States Code, Section 371.

**Count 2**  
**(Securities Fraud)**

From in or about 2009 through in or about 2015, in Bergen County, in the District of New Jersey, and elsewhere, defendant

**LEE VACCARO**

did knowingly and willfully, directly and indirectly, by use of the means and instrumentalities of interstate commerce and the mails, use and caused to be used manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5 (Rule "10b-5") in connection with the purchase and sale of securities by (a) employing devices, schemes, and artifices to defraud members of the investing public; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and a course of business which operated and would operate as a fraud and deceit upon investors, in that he participated in a scheme to defraud investors seeking to purchase interests in warrants to purchase the stock of eAgency.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2.

## **ATTACHMENT B**

I, Mary E. Gardocki, a Special Agent of the Federal Bureau of Investigation, having conducted an investigation and discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part. In addition, the events described in this affidavit occurred on or about the dates provided herein.

### **Background**

1. Based on information obtained during the course of the investigation, I have concluded that, at all times relevant to this Complaint:

a. Defendant LEE VACCARO resided in Las Vegas, Nevada, and Laguna Beach, California. VACCARO was the Chief Marketing Officer and Vice President of Investor Relations for eAgency from in or about July 2009 through in or about October 2013. eAgency was a California-based company developing mobile security products, with its principal place of business in Newport Beach, California. VACCARO was also the founder of Vaccaro Consultants, Vaccaro Consultant, and Vacaro Consultants (the "Vaccaro Entities").

b. "Co-conspirator #1," who is listed as a co-conspirator but not as a defendant herein, was a resident of Alpine, New Jersey and was the president and owner of Company #1. Co-conspirator #1 was the President and Chief Marketing Officer of eAgency from in or about May 2006 to in or about February 2007.

c. Company #1 was a New Jersey limited liability company with its principal place of business in Alpine, New Jersey.

d. Vaccaro Consultants, LLC was a Nevada limited liability company, with its principal place of business in Laguna Beach, California.

e. Vaccaro Consultant, LLC was a Nevada limited liability company, with its principal place of business in Laguna Beach, California.

f. Vacaro Consultants, LLC was a Nevada limited liability company, with its principal place of business in Las Vegas, Nevada.

g. Warrants were derivative securities that give the holder the right to purchase common stock at a specific price within a certain time frame.

### **The Conspiracy**

2. There is probable cause to believe VACCARO engaged in a conspiracy to commit securities fraud and securities fraud based on a review of email correspondence, interviews with individuals who eventually purchased interests in the Investment Companies (the "Investors"), bank records, and documents provided by the Investors and eAgency. The facts derived from these materials which I believe are necessary to establish probable cause are set forth below.

3. From in or about 2009 to in or about 2015, VACCARO and Co-conspirator #1 sold investors interests in Company #1 and the Vaccaro Entities (collectively "the Investment Companies"). VACCARO and Co-conspirator #1 falsely represented to the Investors that the Investment Companies held warrants in eAgency. VACCARO and Co-conspirator #1 also falsely represented to their victims that once eAgency was acquired by another company, the warrants to purchase eAgency's stock owned by the Investment Companies could be exercised at a very profitable price, thereby generating a high return for investors in the Investment Companies.

4. Based on a review of witness interviews, email correspondence, and eAgency documents, there is probable cause to believe that VACCARO and Co-conspirator #1 made material oral and written misrepresentations to the Investors, including misrepresentations about the following matters:

- a. the existence of eAgency warrants purportedly owned by the Investment Companies;
- b. the number of eAgency warrants purportedly owned by the Investment Companies;
- c. the validity of eAgency warrants purportedly owned by the Investment Companies;
- d. the term of eAgency warrants purportedly owned by the Investment Companies;
- e. the amount of money Co-conspirator #1 had personally invested in eAgency;
- f. the amount of money Co-conspirator #1 had raised for eAgency;
- g. and Co-conspirator #1's current position at eAgency.

5. For example, according to documents provided by certain of the Investors, VACCARO and Co-conspirator #1 showed to them numerous documents purporting to reflect the issuance of warrants to entities controlled by VACCARO, and the transfer of those warrants to, among others, Company #1. According to materials provided by eAgency, most of the eAgency warrants purportedly transferred by VACCARO to Company #1 had never been issued by eAgency. There is therefore probable cause to believe that the documents shown to the Investors by VACCARO and Co-conspirator #1 were forged.

6. In addition, beginning in or around January 2011, the dollar amount of interests VACCARO and Co-conspirator #1 sold in the Investment Companies began to surpass the dollar amount of valid warrants held by the Investment Companies. According to interviews of several of the Investors, neither VACCARO nor Co-conspirator #1 ever disclosed the risk that their investments would be diluted by the sale of additional interests in the Investment Companies.

7. Using the means and methods described above, VACCARO and Co-conspirator #1 defrauded the Investors of more than \$5 million.